GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:966
ANSWERED ON:27.07.2001
TURN OVER FEE EVASION BY BROKERS OF KOLKATA STOCK EXCHANGE
KAMBALAPADU E. KRISHNAMURTHY

Will the Minister of FINANCE be pleased to state:

(a) whether the Kolkata Stock Exchange is facing a problem of turn over fee evasion by its brokers;

(b) if so, the details in this regard; and

(c) the remedial measure taken/being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) to (c): Registration fees are imposed by SEBI on stock brokers as per Regulation 10 of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992. Brokers of the Calcutta Stock Exchangehad obtained a stay from Calcutta High Courtin the year 1993, directing that SEBI should notenforce payment as far as the petitioners are concerned. The Supreme Court, vide order dated February 01, 2001, upheld SEBI`s powers to levy fees for carrying outthe purposes of the Act. Subsequent to the judgement of the Supreme Court, SEBI, vide letter datedMarch 19, 2001 advised all the exchanges to inform their members to pay fees in conformity with the judgement.